

# CONTROLLER JOHN CHIANG

## STATE OF CALIFORNIA

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300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.controller.ca.gov](http://www.controller.ca.gov)

### **CALIFORNIA UNCLAIMED PROPERTY REFORMS** **2007-08 Budget Trailer Bill (SB 86)**

#### **The Program**

The State's Unclaimed Property Law was enacted in 1959 to safeguard private property from becoming lost during mergers or bankruptcies, drawn down by service or storage fees, or simply used by private interests for personal gain – either through an unwillingness to find the owner or just plain greed.

#### **The Problem**

California's statutes and state budgets over the past 20 years have restricted the State Controller's Office from notifying Californians that banks and other financial institutions, utility companies, and other businesses may have sent their unclaimed property to the state.

Those prohibitions prevented the Controller from contacting what is effectively 80% of all owners of property the State receives, or about 650,000 individual owners, each year.

#### **Reform Measure**

Upon taking office, Controller John Chiang immediately ordered a halt to the sale of items from safe deposit boxes, thus giving the property owners time to submit claims. He also stopped the practice of selling securities as soon as they were received by the state.

The Controller sponsored a new law, SB 86, to lift the notice restrictions and authorize his office to attempt to notify the owners of property sent to the State. The law also provides resources to track down owners or their heirs to reunite them with their property.

SB 86 was enacted in August, and the Controller immediately sent more than 77,000 notices to owners who he previously was prohibited from contacting.

SB 86 also puts into law the Controller's practice of holding property for a specific period of time to protect heirlooms, photographs, and other items of sentimental, rather than commercial, value.

Controller John Chiang also created a Property Owners' Bill of Rights to spell out property owners' protections, and will appoint a Property Owners Advocate to help cut the red tape and reunite owners with their lost possessions.

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